



***United States Attorney
District of New Jersey***

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**CO-OWNER OF HOME SAVERS CONSULTING CORP. SECOND TO PLEAD
GUILTY IN MORTGAGE FORECLOSURE RESCUE SCHEME**

NEWARK, N.J. – A Brooklyn, N.Y., man pleaded guilty today to conspiring with his co-defendant and others to commit wire and mail fraud in connection with a mortgage fraud scheme that falsely promised to help homeowners facing foreclosure keep their homes and repair their damaged credit, U.S. Attorney Paul J. Fishman announced.

Phil A. Simon, 35, formerly an owner of Home Savers Consulting Corp., which was located in Brooklyn and Freeport, N.Y., pleaded guilty today to count one of the Indictment charging him with conspiracy to commit wire fraud. Simon entered his plea before U.S. District Judge Dennis M. Cavanaugh in Newark federal court. He remains free on \$400,000 bail pending his sentencing, scheduled for May 16, 2011.

On August 5, 2009, Simon was arrested pursuant to a Complaint along with former Home Savers co-owner Garth Celestine. Celestine previously pleaded guilty to charges on Mar. 30, 2010, and is awaiting sentence.

According to documents filed in this case and statements made in court:

From 2004 to 2007, Simon and Celestine owned and operated Home Savers, which held itself out as a foreclosure rescue company, at 946 Fulton St., in Brooklyn, and 350 North Main St., in Freeport. Simon and Celestine conspired with each other and others to defraud both homeowners facing foreclosure and mortgage lenders by making materially false representations and promises.

Simon admitted that, doing business as Home Savers, he and his partner Celestine advertised to homeowners and promised to help them avoid foreclosure, keep their homes, and repair their damaged credit. Simon told the homeowners that they could avoid foreclosure by signing contracts of sale and transferring title to their homes to individuals who would act as “straw buyers” of the properties. Simon promised the homeowners that after they transferred their title to these straw buyers, Home Savers would help them improve their credit ratings, help them obtain more favorable mortgages on their homes, and ultimately direct the straw buyers to transfer the title to their homes back to the homeowners within six months to one year. Simon and Celestine typically told the homeowners that the equity withdrawn from their properties would be kept in a separate account and used to pay the mortgages and expenses on their homes.

After the homeowners were signed up, Simon and Celestine recruited individuals with good credit scores to act as straw buyers and paid them about \$10,000 per property. Using the

homeowners' properties and the good credit ratings of the straw buyers, Simon and Celestine applied for mortgages in the names of the straw buyers to extract the maximum available equity from the homes.

To increase the credit-worthiness of the straw buyers and to ensure they would be approved for the loans, Simon and Celestine submitted to the mortgage lenders loan applications that contained false personal and financial information about the straw buyers, such as their stated employment history and income. They also falsely represented to the mortgage lenders that the straw buyers intended to occupy the property that would secure each mortgage loan as their primary residence, when, in fact, the homeowners planned to stay in their homes.

After each homeowner's debt was paid off and other fees were satisfied, the defendants deposited the remainder of the loan proceeds into the bank accounts of Home Savers, 527 Maple Court Corporation, 858 Atlantic Avenue Corporation, and Keep What's Yours, Inc., companies that Simon and Celestine owned and controlled.

Simon admitted that as a result of their actions, he and Celestine caused mortgage lenders to fund more than \$1 million in loans.

U.S. Attorney Fishman said, "Phil A. Simon admitted today that he schemed to swindle homes from their owners by making false representations and false promises. At a time when so many have been hurt by the housing market, Simon caused lenders to fund more than \$1 million in fraudulent loans. Homeowners should beware of the existence of foreclosure rescue scams, and the con artists who would perpetrate them should know we are taking aggressive steps to protect homeowners and the housing market."

The charge to which Simon pleaded guilty carries a maximum statutory penalty of 20 years in prison and a \$250,000 fine.

U.S. Attorney Fishman credited special agents of the FBI, under the direction of Special Agent in Charge Michael B. Ward, and the Postal Inspectors of the U.S. Postal Inspection Service, under the direction of Acting Inspector Thomas E. Boyle, for the investigation leading to today's guilty plea. U.S. Attorney Fishman also thanked Kings County District Attorney Charles J. Hynes for the assistance and cooperation that was provided by his Office. The investigation is continuing.

The government is represented by Assistant U.S. Attorney Donna Gallucio of the U.S. Attorney's Office Economic Crimes Unit in Newark.

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Defense Attorney: Olubukola Adetula, Esq., Irvington, N.J.